



# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

**DLA LAND AND MARITIME**



## *Welcome* **Industry Forum**

**Friday**  
**26 June 2015**



# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## Administrative Remarks

**CDR Jeff Young**



# Administrative Remarks

<b>Visitor's Badge</b>	Must be worn at all times
<b>Building Access</b>	Visitors must remain on the 1 <sup>st</sup> floor
<b>Restrooms</b>	Directly in front of the auditorium on either side of the hallway
<b>Vending</b>	Machines located in A124S.
<b>Cafeteria</b>	Pod B on 1 <sup>st</sup> floor; WIFI available
<b>Smoke Area</b>	South side of the building
<b>Installation Emergency Services</b>	Notify an associate if you need emergency assistance



# Friday Agenda

June 26, 2015

Time	Topic	Presenter
0730-0900	Arrival / Sign-In	Bldg. 20 Auditorium Entrance
0900-0910	Administrative Remarks	CDR Jeff Young
0910-0930	Welcome Remarks	Mr. Milton Lewis, Acquisition Executive
0930-1015	Keynote Speaker	VADM Paul Grosklags, Assistant Secretary of the Navy for Research, Development, & Acquisitions
1015-1030	Break	
1030-1115	Guest Speaker	Mr. Ed Smith, Avnet Inc.
1115-1300	Lunch	Bldg. 20 Cafeteria



# Friday Agenda

June 26, 2015

Time	Topic	Presenter
1300-1330	"Customer Focused - Results Driven Team"	CAPT Brian Ginnane, Maritime Customer Support Director
1330-1400	"Meeting Warfighter Needs through Partnership and Collaboration"	CAPT Roger Alvarez, Maritime Supplier Operations Director
1400-1415	Commander's Closing Remarks	RDML John King
1415-1430	Wrap-up / Departure	CDR Jeff Young





# Conclusion





# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## Welcome Remarks

**Mr. Milton Lewis**  
**Acquisition Executive**





# Conclusion







# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## Keynote Speaker

**VADM Paul Grosklags,  
Principle Military Deputy  
Assistant Secretary of the  
Navy for Research,  
Development & Acquisition**





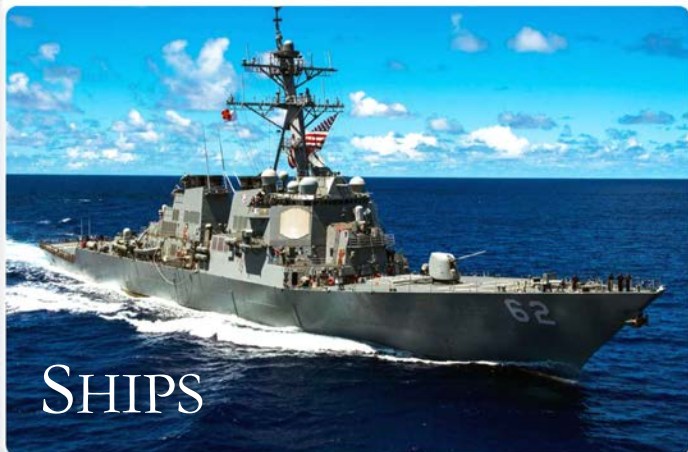






# *Being There Matters*

AROUND THE WORLD, AROUND THE CLOCK



SHIPS

SEALS



AIRCRAFT FROM CARRIERS

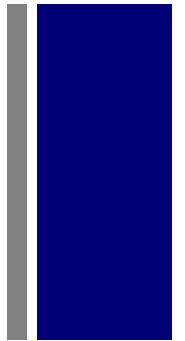


SUBMARINES



# *Being There Matters*

**ENSURING GLOBAL FREE TRADE**



STRAIT OF HORMUZ

STRAIT OF GIBRALTAR

PANAMA CANAL

SUEZ CANAL

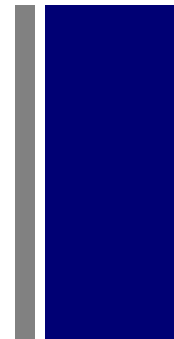
STRAIT OF MALACCA





# *Being There Matters*

## POWER FROM THE SEA



ATTACK AIRCRAFT FROM  
CARRIERS



LONG-  
RANGE  
CRUISE  
MISSILES



NAVY  
SEAL  
TEAMS



UNMANNED AIRCRAFT

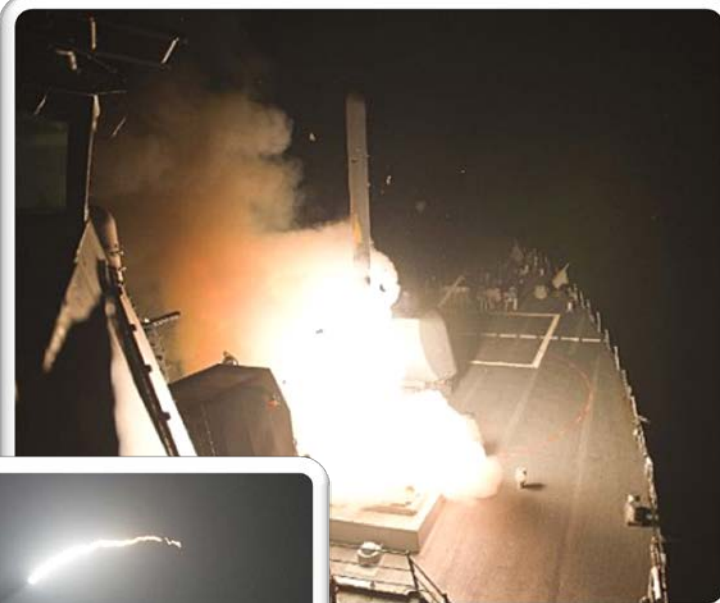
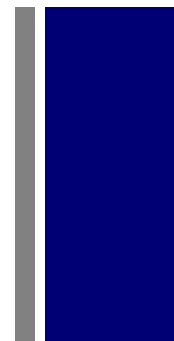






# *Being There Matters*

COMPLETING THE MISSION





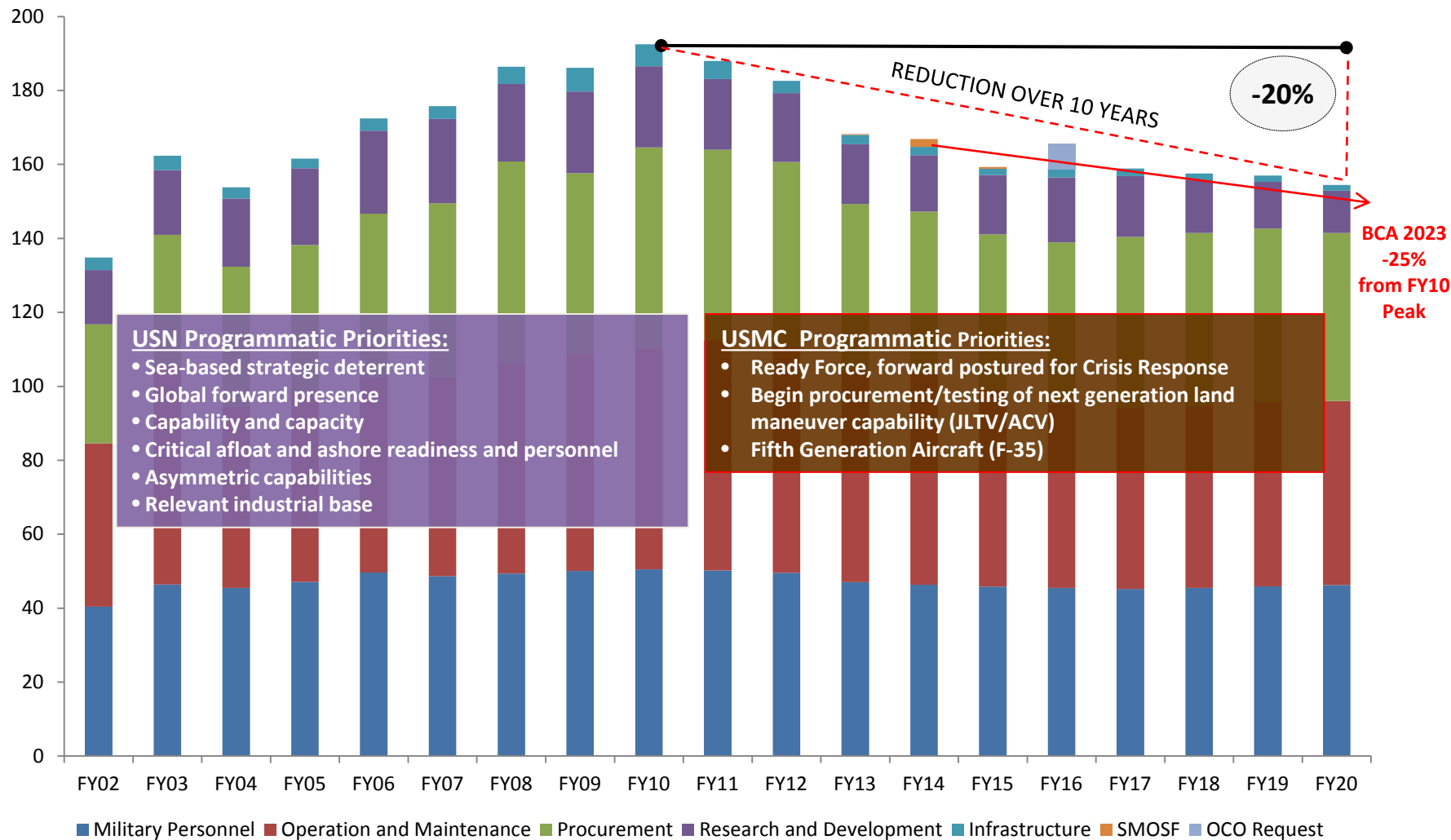
# *Being There Matters*

WHEN DISASTER STRIKES



# Executing the Strategy – Resources

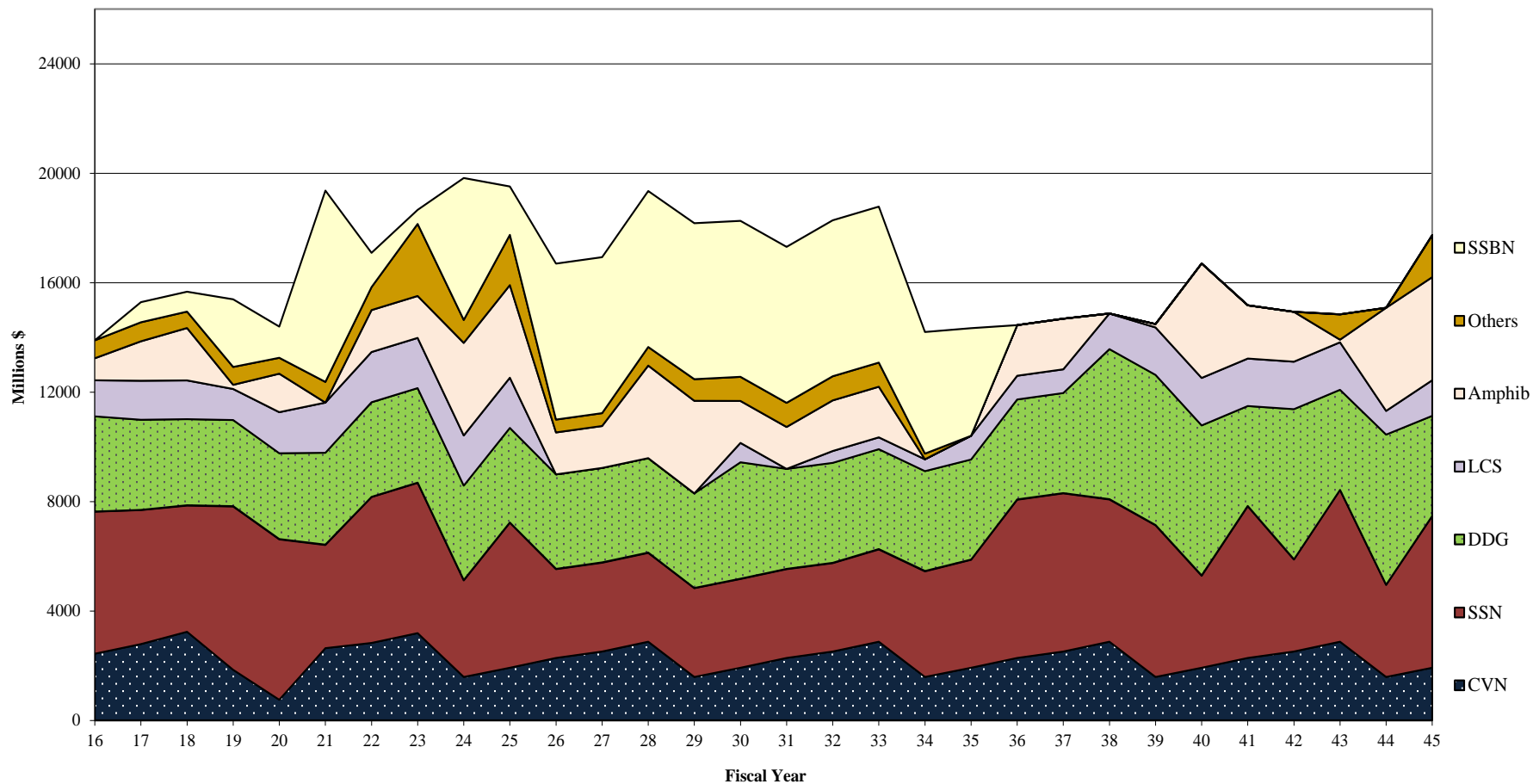
## Department of the Navy Topline FY 2002-2020 (CY 2015)



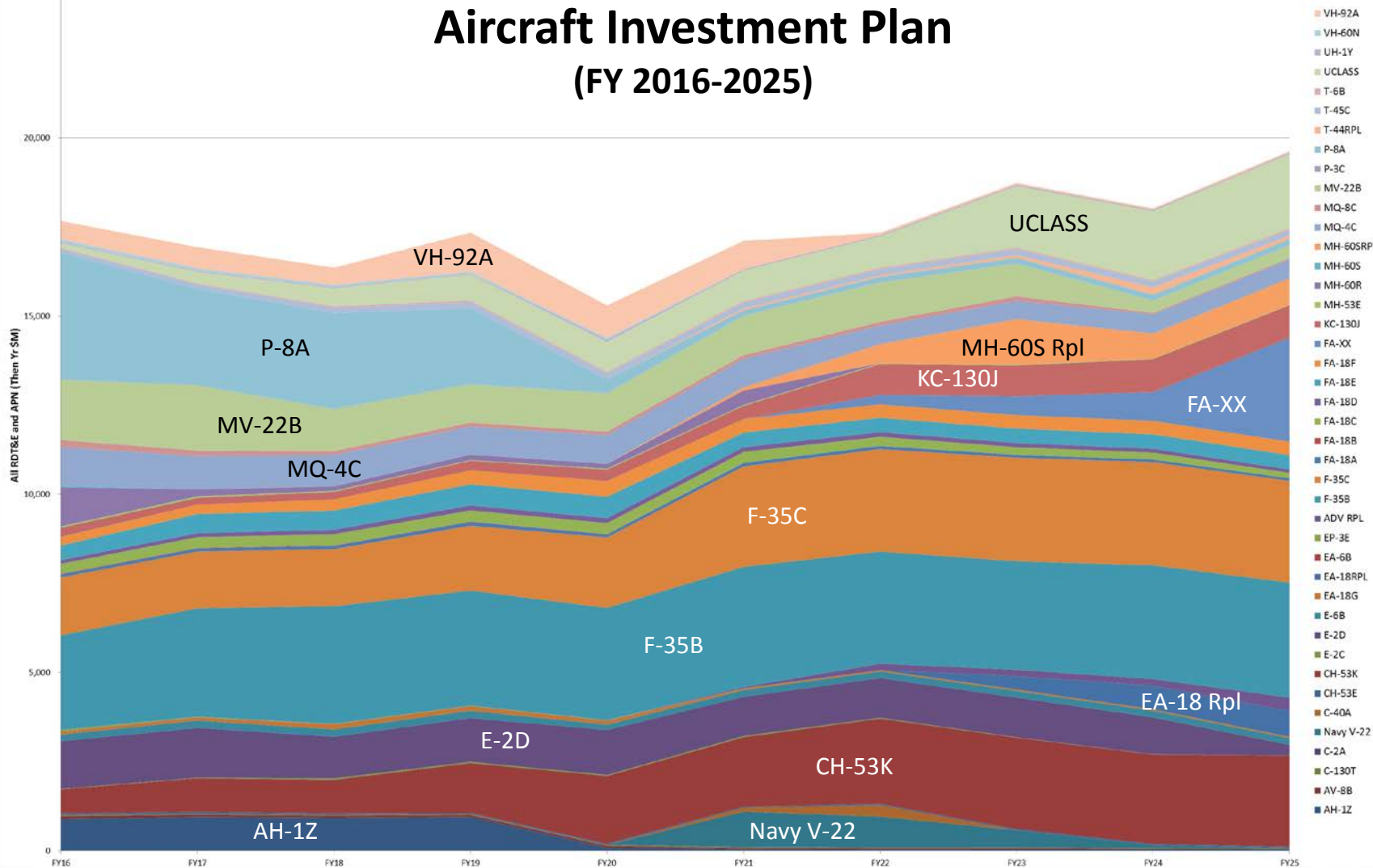
**PB16: Challenging Fiscal Context; Dynamic Security Context**



# Annual Funding Required for Navy Long-Range Shipbuilding Plan (FY2016-2045) (FY2015\$)



# Aircraft Investment Plan (FY 2016-2025)





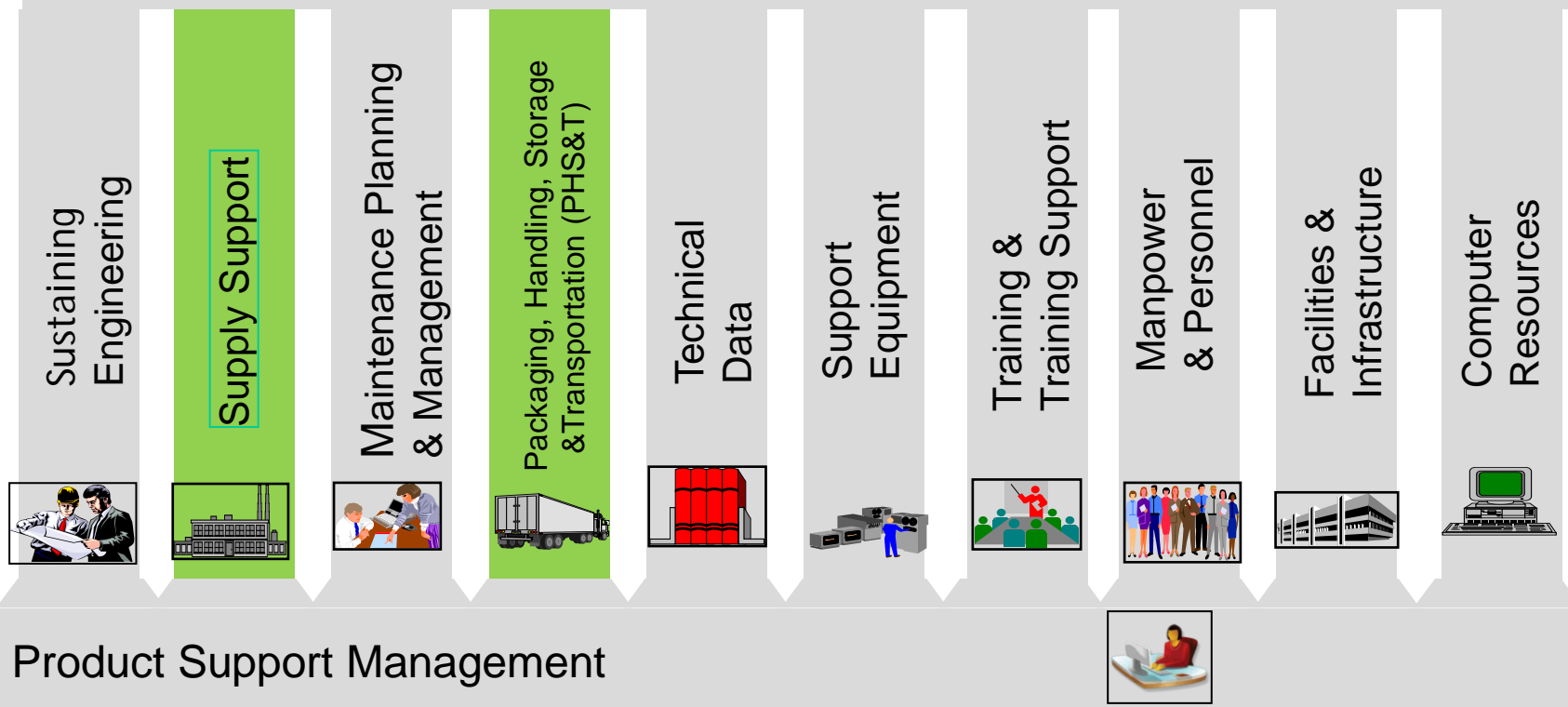
# DoN PBL Story

## Where we are



### Integrated Product Support Elements

#### Design Interface



***Majority of Dept. of Navy PBLs focused on Supply Support and associated PHS&T. These are two key functional areas after IOC/FOC to support systems in sustainment.***



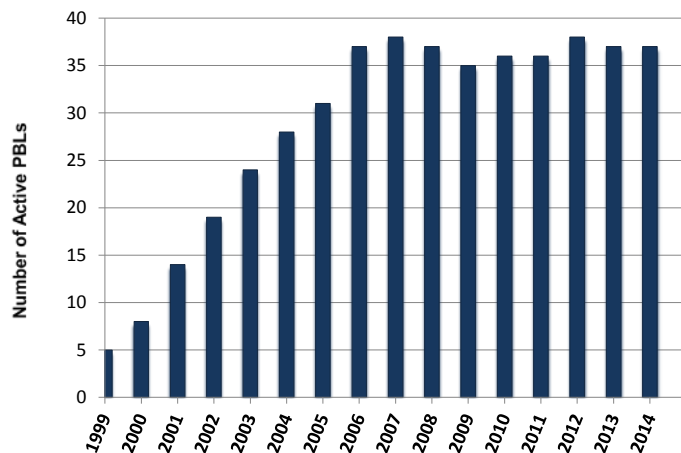


# DoN PBL Story

## Where we are



### Active PBLs by FY



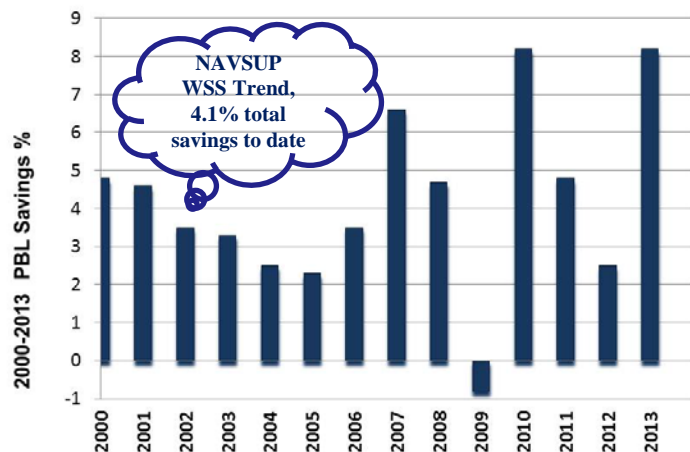
Does not include PBL-Os

### Breakdown: Active / Potential PBLs

- **37 Active PBLs in FY14**
  - 22 renewals/ 15 Originals
  - 6 system, 23 sub-system, 8 component
  - 8 competed and 29 sole source
  - 27 NAVAIR\*; 3 MCSC; 7 NAVSEA\*
- **NAVSUP WSS Implements 84% DoN PBLs**
- **27 Organic PBLs – SPAWAR, NAVSEA, NAVAIR** managed by NAVSUP WSS

\* 31 managed by NAVSUP WSS

### Savings & Cost Avoidance



### Approach

- Focus on increased performance/readiness at same or better cost
- Components/Subsystems vs. Systems
- Supply contracts; FFP
- NWCF (NAVSUP WSS)
- Deliberate Process
- Accurate requirements and where it makes business sense

26.5% of NAVSUP WSS funding obligations in FY14 were on PBL vehicles (\$1.19B PBL out of \$4.49B total)














A sunset scene over the ocean. The sun is a large, bright yellow-orange sphere on the left side of the horizon. The sky transitions from a deep orange near the horizon to a pale blue at the top. A dark silhouette of a Navy ship is visible on the right side of the horizon. A small helicopter is flying in the upper left portion of the sky. The text "Being There Matters" is written in a large, elegant, black script font across the upper half of the image.

*Being There Matters*

AMERICA'S NAVY IS ALREADY THERE





# Conclusion







# Break

**Return in**



**minutes...**



Ed Smith, President  
Avnet Electronics Marketing Americas

# Electronic Components: Trends in Defense

June 26, 2015

**Avnet, Inc.**





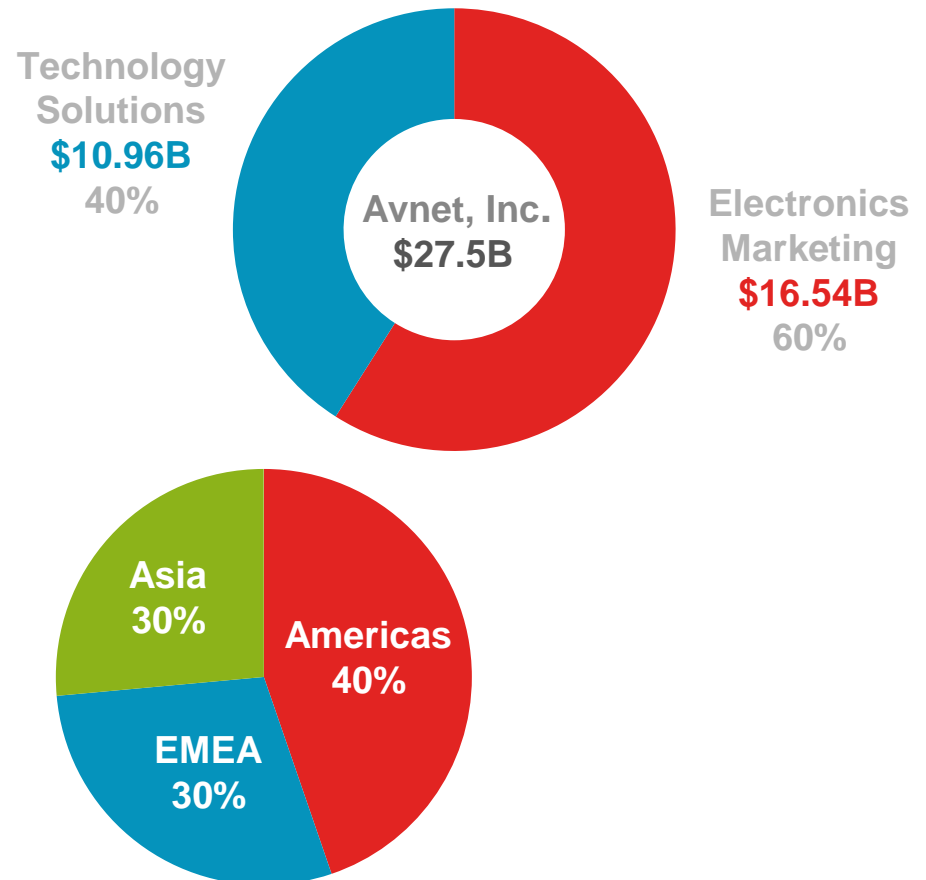
# Avnet Today



## An Industry Leader

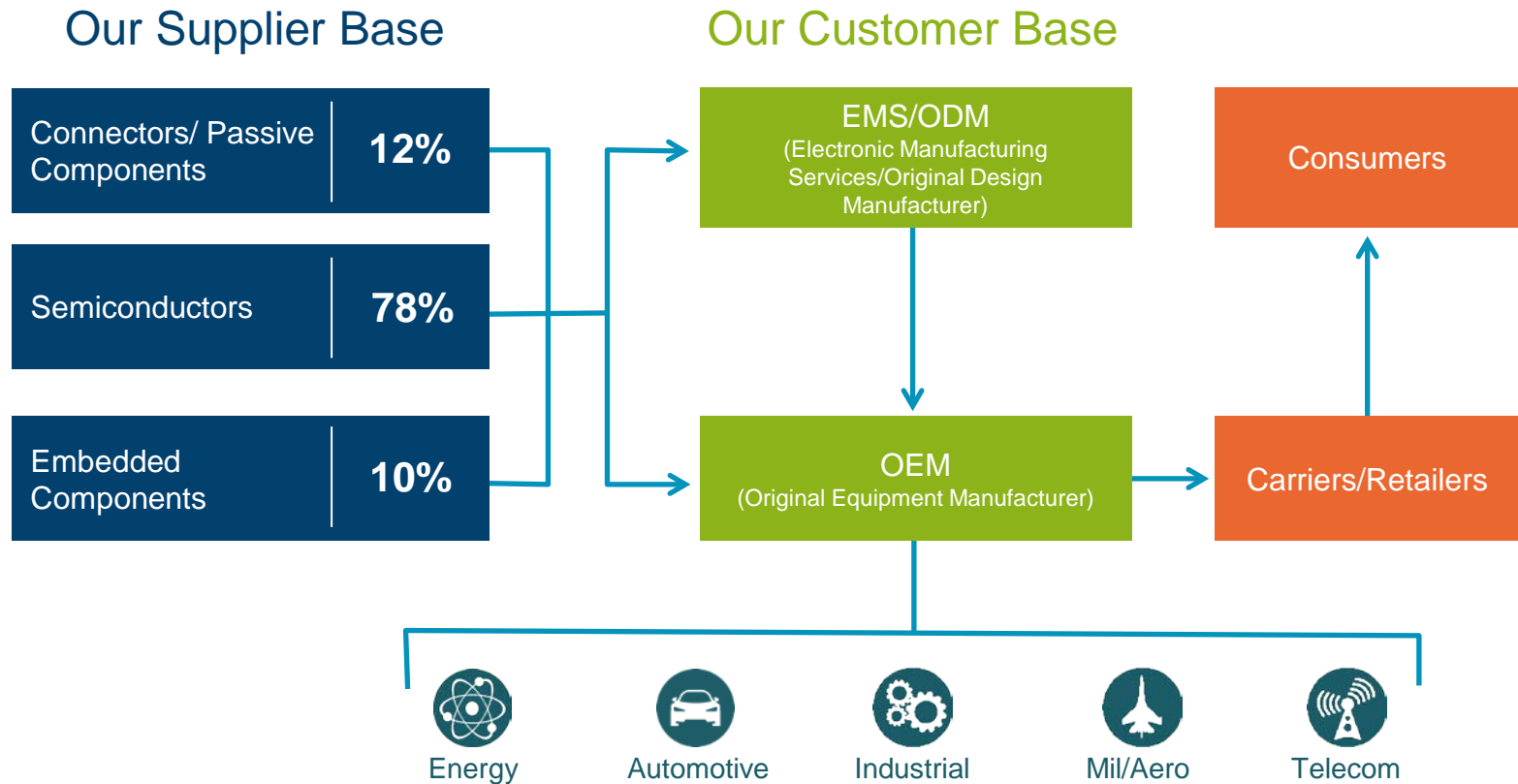
- No. 108 on the 2015 Fortune 500 (U.S.)
- No. 474 on the 2014 Fortune Global 500
- No. 1,021 on the 2014 Forbes list of world's biggest public companies

## FY14 Revenue





# Our Supply Chain



*We help technology make the world a better place to live, work and play.*

# The State of the (Electronics) State



# Industry Trends: Supplier Consolidation

- Margins are under pressure, suppliers continue to consolidate
- In a mature market, expect more supplier consolidation
- Customers: get access to better technology
- Potential exists for additional product line obsolescence and/or price increases
- Foreign ownership can impact procurement





# Additional Industry Trends

## Regulations & Audits

Drive cost and risk for the defense industry

## Low Market Growth

Lead time stability across most commodities

## Ongoing Outsourcing

Circuit card assembly/box build  
Supply chain services

## Industry Conversion

Major transition from mil-spec  
to COTS



# The Impact of COTS



# COTS and the Butterfly Effect

## Issue

- Part Obsolescence

## Impact

- Reliance on Brokers

## Recommendation

- Exhaust all authorized sources of procurement first  
(today's QSLD does not support this)

# COTS and the Butterfly Effect

## Issue

- Part Modification

## Impact

- Unwarranted Parts
- Outside datasheet specs

## Recommendation

- Support OCM Initiatives
- Enhanced Products

# COTS and the Butterfly Effect

## Issue

- Part Warranty

## Impact

- Contract T & Cs
  - Liability

## Recommendation

- Less onerous terms
  - Lower cost of doing business





# Thank you



# Conclusion





# Lunch Break

***We will  
resume at  
13:00***







# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## Maritime Customer Operations Directorate

*"Customer Focused – Results  
Driven Team"*

**CAPT Brian Ginnane**



# Agenda

**I. Directorate Mission**

**II. Organization**

**III. Maritime Scope of Business**

**IV. Maritime Demand Class IX Order Trends**

**V. Maritime Focus Areas**



# Mission Statement

## ***Maritime Customer Operations Directorate***

**Maritime Customer Operations exists to sustain and enhance our Maritime customers' readiness by providing what our customers need, when they need it, whether in combat, on peacekeeping missions around the world, or training at their home bases.**

***"...without a Respectable  
Navy, Alas America!"***

**Captain John Paul Jones**







# Maritime Customer Operations Directorate



**Director/Deputy Director Customer Operations**  
**CAPT Brian Ginnane/Don Schulze**



**NRP & Operating Forces**  
**CDR Johnetta Thomas**



**Industrial, FMS & Item Planning**  
**Dennis Copp**



**Readiness**  
**LCDR Shawn Coleman**



# Key Customers & Strategic Partners

**Operational  
Ships and  
Submarines**



**Shipyards and  
Regional  
Maintenance  
Facilities**



**Foreign  
Navies and  
Armies**



**US Coast  
Guard and  
other  
Customers**




**Providing Supply Support to our Customers in Concert  
with our Strategic Partners**





# Maritime Weapon Systems

Level A				Total
	<i>Nimitz Class CVNs &amp; AC Launch &amp; Recovery</i>	<i>LA, Ohio, Seawolf &amp; VA Class Submarines</i>	<i>Ticonderoga Class CGs &amp; Arleigh Burke Class DDGs</i>	18
Level B				32
	<i>LCACs</i>	<i>NATO Sea Sparrow</i>	<i>Blue Ridge-Class Command Ships</i>	
Level C				416
	<i>CIWS</i>	<i>25 mm Gun Systems</i>	<i>Submarine Antennas</i>	
Total Maritime Weapon Systems				466





# Maritime Customer Readiness



## Operational Support

- Steady Healthy Spend
- CASREP Support
- Cruiser Modernization
- Littoral Combat Ship



## Industrial Support

- Increasing Spend
- Extended Service Life
- Shipyard Hiring
- Work Stoppage Focus

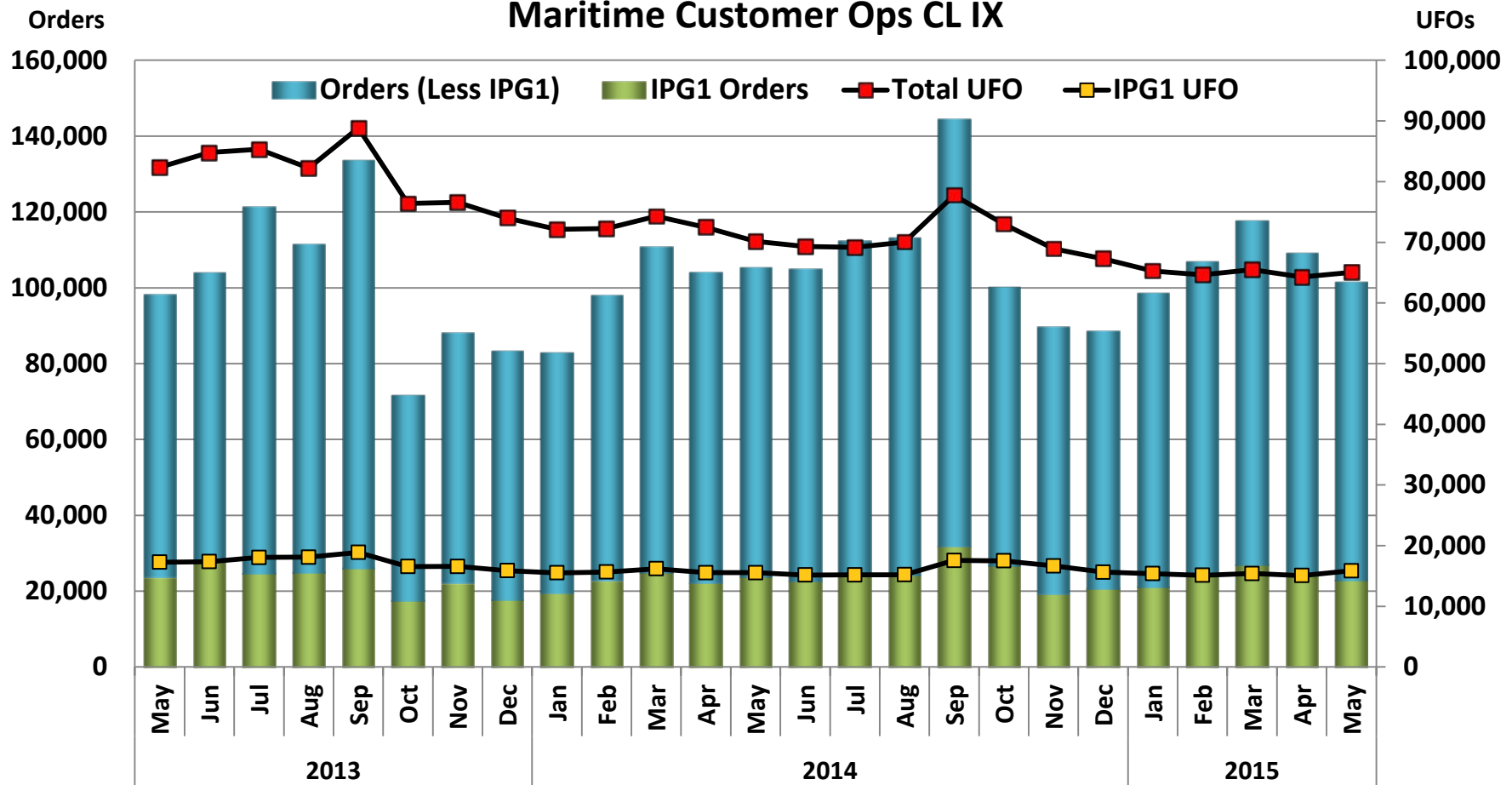
***Warfighting First...Operate Forward...Be Ready!***



# Supporting the Maritime Customers

## Maritime Demand Class IX Orders Trends

Maritime Customer Ops CL IX



NOTE: Items are managed by Supply Chains Land, Maritime, Aviation, and Industrial Hardware



# Focus Area: Nuclear Readiness

## Nuclear Reactor Program (21N)



- **Nuclear Propulsion**
  - *Submarines*
  - *Aircraft Carriers*
  - *Training Reactors*
- **~ 30K DLA Managed Items**
  - *Repair Parts / Consumables*
- **Performance Based Agreement (PBA)**
  - Requirement: 95% MA
  - Outcome: 97.5% MA

## Trident Strategic Weapons System (02N)



- **Trident II D5 Submarine-Launched Ballistic Missile (SLBM)**
  - *Aboard Ohio Class SSBN Subs*
- **~ 15K DLA Managed Items**
  - *Repair Parts / Consumables*
- **Performance Based Agreement (PBA)**
  - Goal: 95% MA
  - Outcome: 95.8% MA

***Focused Support to Navy Nuclear Enterprise***





# Focus Area: Weapon System Support

- **Challenges**

- *Low density*
- *Old systems/obsolescence*
- *Extended life cycle*
- *New class (DDG 1000, LCS, Virginia Class)*
- *Tight specification requirements*
- *Small acquisition quantities*



- **DLA Effort**

- *DLA engineering collaboration*
- *Strategic engagement with program office*
- *Aggressive non-procurability approach*
- *Minimum buy quantities*



# Conclusion







# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## Maritime Supplier Operations Directorate

*"Meeting Warfighter Needs  
through Partnership and  
Collaboration"*

**CAPT Roger Alvarez**





# Agenda

***I.* Organization**

***II.* Business Profile / Commodity Spend**

***III.* Focus Areas**

***IV.* Partnership Opportunities**

***V.* Summary / Contact Information**



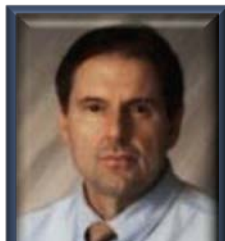
# DLA Maritime Supplier Operations



**Director/Deputy Director Maritime Supplier Operations  
CAPT Roger Alvarez / Ben Roberts**



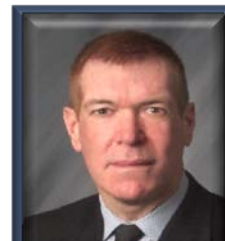
**Fluid Handling  
Linda McCarty**



**Active Devices  
Dave Glasscoe**



**Electrical Devices  
CDR Todd Wanack**



**Supplier Support  
Charles Sharp**

- Supply Chain Management for 1.498M NSNs supporting Aviation, Naval, and Land-based weapon systems.
- Provide best value logistics and contract management support.

- Annual Business
  - \$1.44B in sales
  - 220K contracts
  - 1.6M requisitions

***Right Item, Right Time, Right Place, Right Price, Every Time, Best Value Solutions***



# Business Profile

## Primary Supported Platforms

- **Naval-Based Weapon Systems**

- *Arleigh Burke Class DDG*
- *Ticonderoga Class CG*
- *LPD-17 Class Amphibious Transport Dock*
- *Los Angeles Class SSN*
- *Avenger Class MCM*



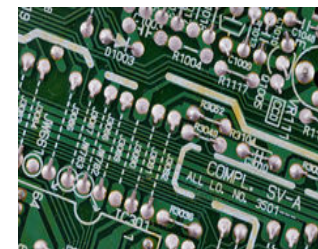
- **Aviation-Based Weapon Systems**

- *AC-130H/J, MC-130*
- *C-130 Hercules*
- *B-52 Stratofortress*



- **Land-Based Weapon Systems**

- *HMMWV*
- *Blackhawk Helicopter*
- *FMTV*



*\*All Electronic items integrated into Maritime*

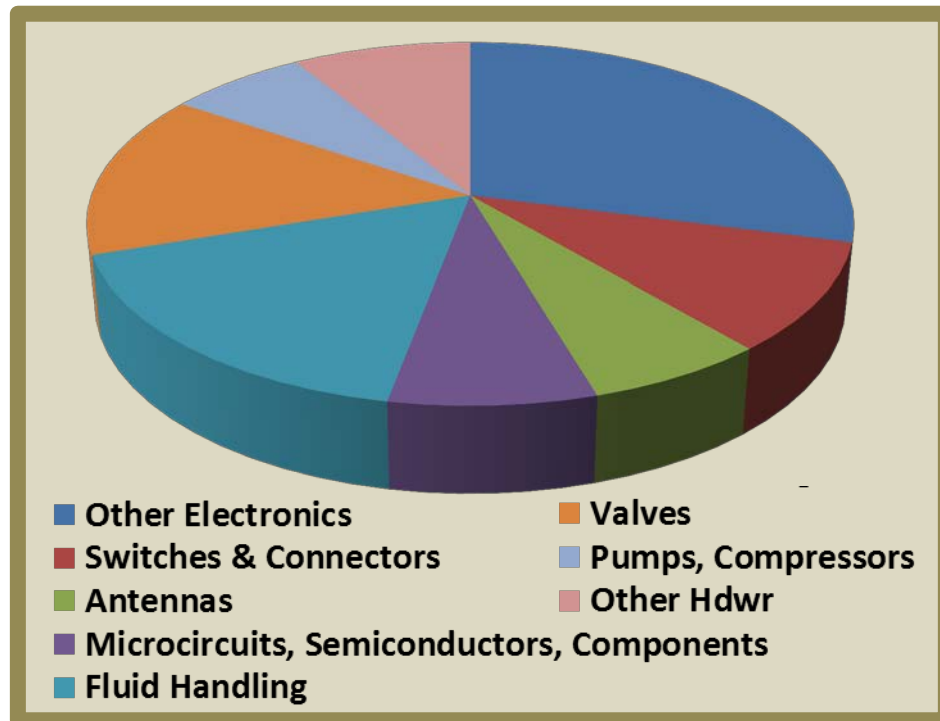
**Maritime Team Provides Support Across All Demand Chains**





# Commodity Spend

**Maritime FY14 Contract Awards - \$1.28B**



- **Electronics Total OBS: \$679M**
- **Mechanical Total OBS: \$603M**

Commodity	FY14 OBS	FSCs
Electronics		
Switches/Connectors	\$124M	5930, 5935
Microcircuits, Semiconductors, Components	\$97M	5961, 5962, 5998, 5999
Antennas	\$85M	5985
Other Electronics	\$373M	5905 & Higher
Mechanical		
Fluid Handling	\$216M	4710, 4720, 4730
Valves	\$188M	4810, 4820
Pumps/Compressors	\$87M	4310, 4320, 4330
Other Hardware	\$112M	5985 & Lower

***Breadth of Commodity Spend Spanning All Demand Chains***



# Focus Areas

## Nuclear Readiness

### Key Items: Navy Nuclear Program

- # NSNs Managed: 22K+
- Material Availability: 97.0% (NRP)

**One team with dedicated focus on customer support**

**Team: Supply planning, technical & quality evaluations, and acquisition of material for 200+ stock classes.**

- Material Availability  $\geq 95\%$
- Daily monitoring of metrics
- Intense Backorder Management
- Pro-active problem identification and resolution
- Enterprise focus on nuclear business expanding

## DNA Marking

### Key Items: FSC 5962

- # NSNs Managed: 75K+

**Traceability documentation is the key to success in getting you paid**

- Initiative to eliminate counterfeit microcircuits
- December 2014: DLA Electronics Product Test Center began DNA marking all microcircuits
- Awards made only to trusted sources
- Traceability guarantees material meets our requirements
- DLA L&M Form 918



# Partnership Opportunities

## Quotes

- Timeliness important
- Include price breaks, minimum buy quantities, and amounts
- Include reason if no bid

## Alternate/Surplus Offers

- Many reasons for alternate offer disapprovals
- Surplus offers: work closely with KO for timely document submission

## DMSMS

- **Aged Weapon Systems = Support Challenges**
  - *Budget constraints driving life cycle extensions*
  - *Reliance on industry to identify alternate capabilities proactively*
  - *Let us know when items are discontinued*

## Quality Notifications

- Many issues driving QNs
- Need your assistance in minimizing!
- Impacts our workload and delays you getting paid

**World Class Logistics Support Through Teamwork**





# In Summary

- **Rely on partners to meet customer needs**
- **Work together to improve efficiencies**
- **Invested in addressing your issues through our new Post Award Requests (PAR) process**

***Thank You for Being Our Valued Partners!***



# Contact Information

- **Quoting in DLA Internet Bid Board System (DIBBS)**
  - <https://www.dibbs.bsm.dla.mil/Refs/help/DibbsHelp.htm>
- **Alternate Offers**
  - <http://www.landandmaritime.dla.mil/programs/altofferor/>
- **DMSMS Program Manager, Alan Clark**
  - 614-692-5382, [alan.clark@dla.mil](mailto:alan.clark@dla.mil)
- **Post Award Requests (PAR) Mailboxes: Refer to Block Six of Awards:**
  - [DLA.MARITIME.POSTAWARD.FMSE2@DLA.MIL](mailto:DLA.MARITIME.POSTAWARD.FMSE2@DLA.MIL)
  - [DLA.MARITIME.POSTAWARD.FMSE3@DLA.MIL](mailto:DLA.MARITIME.POSTAWARD.FMSE3@DLA.MIL)
  - [DLA.MARITIME.POSTAWARD.FMSE4@DLA.MIL](mailto:DLA.MARITIME.POSTAWARD.FMSE4@DLA.MIL)
  - [DLA.MARITIME.POSTAWARD.FMSE5@DLA.MIL](mailto:DLA.MARITIME.POSTAWARD.FMSE5@DLA.MIL)
  - [DLA.MARITIME.POSTAWARD.FMSE6@DLA.MIL](mailto:DLA.MARITIME.POSTAWARD.FMSE6@DLA.MIL)



# Conclusion







# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## Commander's Closing Remarks

**RDML John King,  
SC, USN**



# Conclusion







# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



## Administrative Remarks

**CDR Jeff Young**